

FISCAL IMPACT STATEMENT ON BILL NO. S 1032

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TO:	The Honorable Hugh K. Leatherman, Sr., Chairperson, Senate Finance Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYST:	Trey Kannaday		
DATE:	January 31, 2008	SBD:	2008058

AUTHOR:	Senator Leatherman	PRIMARY CODE CITE:	Joint Resolution
SUBJECT:	School District Supplement		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

Senate Bill 1032 is a Joint Resolution dealing with the use of Education Finance Act and Education Finance Act Reserve Funds to supplement those school district negatively affected by the lack of revision of the 2007 Final Index of Taxpaying Ability.

EXPLANATION OF IMPACT:

The State Department of Education (SDE) estimates there will be no fiscal impact for the agency. This Bill amends and clarifies the disbursement of existing FY 2007-08 appropriations. This Joint Resolution directs that Education Finance Act (EFA) Funds must first be used to supplement those schools districts negatively affected by the lack of revision of the 2007 final Index of Taxpaying Ability before utilizing available EFA Reserve Funds. In addition, Proviso 1.76(B) of the FY 2007-2008 Appropriation Act contains a "Hold Harmless" provision which states that each school district should receive at least the same amount in the current fiscal year as it received in FY 2006-2007. This Joint Resolution also provides that EFA funds must first be used to satisfy this requirement before utilizing EFA Reserve Funds. The Joint Resolution also directs that those districts positively affected by the lack of revision of the Index of Taxpaying Ability shall direct those funds towards non-recurring expenditures.

LOCAL GOVERNMENT IMPACT:

None.

Approved by:



Harry Bell
Assistant Director, Office of State Budget